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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549

FORM 10-Q

BEST COPY AVAILABLE

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 29, 1992

MGL-2237

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934

19-16-V

For the Transition period from _____ to _____

PROCESSED BY
MAY 8 1992

Commission file number 33-8192

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REEVES INDUSTRIES, INC. /DE,

(Exact name of registrant as specified in its charter)

L30

Delaware	57-0735790
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
Highway 29 South Post Office Box 1898 Spartanburg, S. C.	29304
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (803) 576-1210

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes x No ___

36,886,105 shares of $.01 par value common stock of the Registrant were outstanding at the close of business on April 30, 1992.

Exhibit INDEX APPEARS ON PAGE 15.

REEVES INDUSTRIES, INC. AND SUBSIDIARY

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED BALANCE SHEET
REEVES INDUSTRIES, INC. AND SUBSIDIARY
(In thousands)

	December 31, 1991	March 29, 1992
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 20,992	$ 41,657
Receivables, net of allowance for doubtful accounts	41,449	43,718
Inventories - Note A	39,510	41,234
Prepaid and other current assets	2,925	3,402
Deferred income taxes	4,198	2,341
Current investment in discontinued operations - Note B	15,823	788
TOTAL CURRENT ASSETS	124,897	133,140
PROPERTY, PLANT AND EQUIPMENT		
Cost	63,014	63,374
Less accumulated depreciation	26,381	27,340
	36,633	36,034
OTHER ASSETS AND DEFERRED CHARGES		
Unamortized financing costs, less accumulated amortization of $5,722 and $5,997	3,386	3,111
Goodwill, less accumulated amortization of $6,751 and $7,086	46,038	45,703
Other assets and deferred charges	737	774
Noncurrent investment in discontinued operations - Note B	3,296	2,927
	53,457	52,515
TOTAL ASSETS	$214,987	$221,689

CONDENSED CONSOLIDATED BALANCE SHEET (Continued)
REEVES INDUSTRIES, INC. AND SUBSIDIARY
(In thousands, except share data)

	December 31, 1991	March 29, 1992
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Revolving loans payable to banks - Note C	$ 30,000	$ 30,000
Current portion of long-term debt - Note C	43	31
Accounts payable	15,851	18,986
Accrued expenses and other liabilities	17,532	22,758
Accrued income taxes	-	219
Current liabilities related to discontinued operations - Note B	4,835	7,307
TOTAL CURRENT LIABILITIES	68,261	79,301
LONG-TERM DEBT - Note C	118,917	118,958
DEFERRED INCOME TAXES	2,666	2,671
LONG-TERM LIABILITIES RELATED TO DISCONTINUED OPERATIONS - Note B	4,666	1,249
TOTAL LIABILITIES	194,510	202,179
SHAREHOLDERS' EQUITY		
Common Stock, $.01 par value, 50,000,000 shares authorized; 36,886,105 shares issued and outstanding	369	369
Additional paid-in capital	6,421	6,421
Retained earnings	9,022	10,347
Equity adjustments from translation	4,665	2,373
	20,477	19,510
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$214,987	$221,689

See notes to condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF INCOME
REEVES INDUSTRIES, INC. AND SUBSIDIARY
(In thousands)

	Quarter Ended	
	March 31, 1991	March 29, 1992
Net sales	$61,626	$66,375
Cost of sales	49,657	52,832
Gross profit on sales	11,969	13,543
Selling, general and administrative expenses	7,714	7,547
Operating income	4,255	5,996
Other income (expense):		
Other income, net	366	192
Interest expense and amortization of financing costs and debt discounts	(5,113)	(4,829)
	(4,747)	(4,637)
(Loss) income before income taxes	(492)	1,359
Income tax (benefit) provision	(703)	34
Net income	$ 211	$ 1,325

See notes to condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF INCOME (Continued)
REEVES INDUSTRIES, INC. AND SUBSIDIARY
(In thousands, except per share data)

	Quarter Ended	
	March 31, 1991	March 29, 1992
Earnings per share (Exhibit 11):		
Income per common and common equivalent share:		
Primary:		
Net income	$ .01	$ .04
Fully diluted:		
Net income	$ .01	$ .04
Weighted average number of common shares outstanding:		
Primary	18,066	36,886
Fully diluted	18,066	36,886

See notes to condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES
IN SHAREHOLDERS' EQUITY
REEVES INDUSTRIES, INC. AND SUBSIDIARY
(In thousands)

	Common Stock		Additional Paid-in Capital	Retained Earnings	Equity Adjustments From Translation	Total
	Shares	Amount				
Balance at December 31, 1991	36,886	$ 369	$ 6,421	$ 9,022	$ 4,665	$ 20,477
Net income				1,325		1,325
Translation adjustments					(2,292)	(2,292)
Balance at March 29, 1992	36,886	$ 369	$ 6,421	$ 10,347	$ 2,373	$ 19,510

See notes to condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEHENT OF CASH FLOWS
REEVES INDUSTRIES, INC. AND SUBSIDIARY
(In thousands)

	Quarter Ended	
	March 31, 1991	March 29, 1992
OPERATING ACTIVITIES		
Net income	$ 211	$ 1,325
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	2,037	2,349
Changes in operating assets and liabilities, net of discontinued operations	644	5,944
Translation adjustments	(1,583)	(1,463)
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,309	8,155
INVESTING ACTIVITIES		
Proceeds from the disposal of discontinued operations, net of transaction costs paid	1,074	14,459
Purchases of property, plant, and equipment	(2,207)	(1,933)
NET CASH (USED) PROVIDED BY INVESTING ACTIVITIES	(1,133)	12,526
FINANCING ACTIVITIES		
Principal payments on long-term debt	(13)	(16)
Other, net	101	-
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	88	(16)
INCREASE IN CASH AND CASH EQUIVALENTS	264	20,665
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	22,013	20,992
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 22,277	$ 41,657

See notes to condensed consolidated financial statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
REEVES INDUSTRIES, INC. AND SUBSIDIARY

MARCH 29, 1992

GENERAL

Reeves Industries, Inc. ("Reeves Industries" or "the Company") is a holding company whose principal asset is the capital stock of its wholly-owned subsidiary Reeves Brothers, Inc. ("Reeves"). Reeves is a diversified industrial company with operations in two business segments: industrial coated fabrics and apparel textiles. The Industrial Coated Fabrics Group manufactures and sells rubber and synthetic coated fabrics such as offset printing blankets, truck tarpaulins, gaskets, gas meter and other molded and flat diaphragms, materials used in automotive airbags, and graphic arts products for industrial applications. The Apparel Textile Group manufactures, processes and sells specialty textile fabrics to apparel and other manufacturers. Hart Holding Company Incorporated ("Hart Holding") owns 93.5% of the Company's voting securities and thereby has the ability to elect the entire Board of Directors.

Effective December 31, 1991, Hart Holding exchanged its 1,000 shares of Reeves Industries' Series I Preferred Stock, par value $1.00 per share, stated value $5,001,000 and having a liquidation value of $9,410,000 for 18,820,000 shares of Reeves Industries Common Stock. This transaction resulted in Hart Holding's percentage ownership in Reeves Industries Common Stock increasing from 86.7% to 93.5%.

The accompanying unaudited condensed consolidated financial statements of the Company have been prepared in accordance with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. For such information, refer to the consolidated financial statements and footnotes thereto included in the Company's annual report on Form 10-K for the year ended December 31, 1991, as filed with the Securities and Exchange Commission on March 30, 1992. The condensed consolidated financial statements presented herein are, in the opinion of management, inclusive of all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair presentation of financial position as of March 29, 1992, and the results of operations and cash flows for the quarters ended March 31, 1991 and March 29, 1992.

NOTE A - INVENTORIES

Inventories at December 31, 1991 and March 29, 1992, are comprised of the following (in thousands):

	December 31, 1991	March 29, 1992
Raw materials	$ 8,081	$ 8,354
Work in progress	10,092	10,531
Finished goods	21,417	22,349
	$39,510	$41,234

Approximately 26% and 30% of the Company's inventories at December 31, 1991 and March 29, 1992, respectively, are valued using the last-in, first-out ("LIFO") method. Interim LIFO determinations, including those as of March 29, 1992, are based on management's estimates of expected year end inventory levels and costs.

NOTE B - DISCONTINUED OPERATIONS

As of December 31, 1991, the Company reevaluated its reserves with respect to the disposal of the ARA Automotive Group and as a result adjusted the loss with respect to the discontinuance of ARA, which occurred in the fourth quarter of 1990, downward from $34.6 million to $32.2 million, net of applicable income tax benefits of $19.5 million and $18.0 million, respectively. This resulted in a gain of $2.4 million in the fourth quarter of 1991, net of applicable income taxes of $1.4 million.

The assets and liabilities and the results of operations of the ARA Automotive Group have been accounted for as discontinued operations in the accompanying condensed consolidated financial statements. Revenues from discontinued operations amounted to $5,910,000 and $0 for the quarters ended March 31, 1991 and March 29, 1992, respectively.

The investment in discontinued operations reflected in the December 31, 1991 and March 29, 1992 Condensed Consolidated Balance Sheet is comprised of the following (in thousands):

MARCH 29, 1992

	December 31, 1991	March 29, 1992
Cash	$ 4	$ -
Accounts receivable	1,035	725
Other current assets	50	-
Property, plan and equipment, net	19	-
Income tax receivable	15,021	-
Deferred income taxes	2,990	2,990
Total investment in discontinued operations	$19,119	$ 3,715

NOTE C - LONG-TERM DEBT

Long-term debt at December 31, 1991 and March 29, 1992, consisted of the following (in thousands):

	December 31, 1991	March 29, 1992
12 1/2% Senior Notes due May 1, 1995, net of unamortized discount of $223 and $200	49,457	49,480
13% Senior Subordinated Debentures due May 1, 1998, net of unamortized discount of $411 and $394	53,589	53,606
13 3/4% Subordinated Debentures due May 1, 2001, net of unamortized discount of $148 and $144	15,852	15,856
Other	62	47
	118,960	118,989
Less current portion	(43)	(31)
	$118,917	$118,958

In March 1992, the Company and the agent for the banks that are party to the Reeves Industries Loan Agreement (the "Loan Agreement"), agreed to a sixth amendment (the "Amendment") to the Loan Agreement.

Concurrent with the consummation of the Amendment, the Company paid, out of available funds, the $30.0 million Revolving Loan outstanding as of December 31, 1991 which was due March 31, 1992. The Amendment makes available to Reeves a maximum revolving loan capacity of $20.0 million (as amended, the "Reeves Revolving Loan"). A letter of credit facility is available to Reeves of up to $5.0 million. The aggregate amount of

the Reeves Revolving Loan outstanding plus outstanding letters of credit cannot exceed the lesser of $20.0 million or the Borrowing Base, as defined by the Amendment. The Reeves Revolving Loan due date is the earlier of the date Reeves Industries completes a refinancing or January 29, 1993. The Reeves Revolving Loan bears interest at: prime plus 1 3/4% or LIBOR plus 3% through August 30, 1992; prime plus 2 1/4% through October 30, 1992; prime plus 2 1/2% through December 30, 1992 and prime plus 3% thereafter. A commitment fee of 0.5% of the daily average unutilized portion of the Reeves Revolving Loan is payable quarterly.

Refer to the Company's Annual Report on Form 10-K for the year ended December 31, 1991, as filed with the Securities and Exchange Commission on March 30, 1992, for a more complete description of the Loan Agreement and the Indentures governing the debt securities.

NOTE D - SUPPLEMENTAL EARNINGS PER SHARE DATA

The following supplemental earnings per share data is presented as if the exchange of Preferred Stock for Common Stock occurred on January 1, 1991:

	Quarter Ended March 31, 1991
Net income	$ .01
Weighted average number of common shares outstanding - primary and fully diluted (in thousands)	36,886

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

The following table and the discussion which follows presents the Company's sales and operating income by segment for the quarters ended March 31, 1991 and March 29, 1992 (In thousands):

	Quarter Ended	
	March 31, 1991	March 29, 1992
Net Sales:		
Industrial Coated Fabrics Group	$ 28,999	$ 29,149
Apparel Textile Group	32,627	37,226
Total Net Sales	$ 61,626	$ 66,375
Operating Income:		
Industrial Coated Fabrics Group	$ 5,295	$ 5,554
Apparel Textile Group	1,373	2,895
Corporate Expenses	(2,413)	(2,453)
Total Operating Income	$ 4,255	$ 5,996
Operating Income / Net Sales	6.9%	9.0%

THREE MONTHS ENDED MARCH 31, 1991 COMPARED WITH THREE MONTHS ENDED MARCH 29, 1992

SALES

The Company's overall sales for the first three months of 1992 versus 1991 increased 7.7%. Sales of the Industrial Coated Fabrics Group represented 43.9% of the Company's total sales for the first three months of 1992 as compared with 47.1% for the comparable period in 1991. Sales of the Apparel Textile Group represented 56.1% of the Company's total sales for the first three months of 1992 as compared with 52.9% for the comparable period in 1991.

Sales of the Industrial Coated Fabrics Group were virtually the same as the first three months of 1991. The Group's Domestic sales increases in specialty coated fabrics and automotive airbag materials were offset by a decline in International sales. The increase in Domestic specialty coated fabrics was caused by an increase in unit volume and the increase in automotive airbag material sales was due to an increase in unit volume caused by the increasing inclusion of driver side airbags in U.S. manufactured cars. The decline in International sales was due to the continuing European recession.

The Apparel Textile Group's sales increased by 14.1% in the first three months of 1992 as compared to the first three months of 1991 primarily due to a shift to more fancy or higher priced goods.

OPERATING INCOME

Operating income for the first three months of 1992 was $6.0 million as compared to operating income of $4.2 million for the first three months of 1991. As a percentage of sales, operating income increased to 9.0% for the first three months of 1992 compared to 6.9% in the same period of 1991.

Operating income of the Industrial Coated Fabrics Group for the first three months of 1992 increased 4.9% as compared to the first three months of 1991, primarily as a result of an increase in Domestic sales volume for specialty coated fabrics and automotive airbag material and improved manufacturing costs primarily resulting from prior capital investments.

The Apparel Textile Group's operating income for the first three months of 1992 increased 110.9% as compared to the first three months of 1991, primarily due to stronger margins on the higher priced goods and manufacturing cost reductions associated with prior capital investments.

LIQUIDITY AND CAPITAL RESOURCES

The Loan Agreement provided Reeves Industries with a $44.9 million revolving line of credit facility and an $11.5 million letter of credit facility to provide liquidity. The balance outstanding under the revolving line of credit at December 31, 1991 was $30.0 million. Reeves Industries had outstanding letters of credit of $2.0 million at December 31, 1991.

In March 1992, Reeves Industries and the agent for the banks that are party to the Loan Agreement agreed to a sixth amendment to the Loan Agreement. Concurrent with the consummation of the Amendment, Reeves Industries paid, out of available funds, the $30.0 million revolving loan outstanding as of December 31, 1991 which was due March 31, 1992.

The Amendment to the Loan Agreement replaces the revolving line of credit facility and letters of credit facility with a $20.0 million revolving line of credit facility and a $5.0 million letters of credit facility to provide liquidity. Outstanding letters of credit reduce dollar for dollar the amount that may be borrowed as revolving loans. Management believes that funds available under these credit facilities will be sufficient to supplement funds generated from operations to meet the working capital and capital expenditure requirements of the Company through the termination of the facility which will occur on the earlier of the completion of a refinancing of certain of the Company's existing debt securities or January 29, 1993. Concurrent with the consummation of the Amendment, the Company had available borrowing of $20.0 million under the revolving loans and approximately $5.0 million under the letter of credit facility.

In April 1992, the Company filed a registration statement with the Securities and Exchange Commission with respect to a public offering of $121.5 million of Senior Notes due 2002 (the "New Senior Notes"). Proceeds of the offering will be used to redeem all of the Company's outstanding 12 1/2% Senior Notes, all of the Company's outstanding 13% Senior Subordinated Debentures and repay revolving loans that will be outstanding under the revolving loan facility. The completion of the offering will result in the termination of the Loan Agreement.

The Company intends to arrange for another revolving loan/letter of credit facility to replace the Loan Agreement and is engaged in discussion with banks for that purpose. Whether or not the Company obtains such a facility, the Company expects to be able to fund its working capital needs, capital expenditure requirements and debt service obligations from current cash balances and cash flow from operations.

In February 1992, Reeves Industries received approximately $17.0 million from the federal government in payment of a tax refund receivable which was recorded as of December 31, 1991. The refund resulted from Reeves Industries carrying back operating losses generated in 1991, primarily related to the disposal of the ARA Automotive Group, to offset previous year's taxable income.

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits	Description	Page
Exhibit 11	Computation of Earnings Per Common Share	17

(b) Reports on Form 8-K

There were no reports on Form 8-K filed during the three months ended March 29, 1992.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

REEVES INDUSTRIES, INC.

DATE: April 30, 1992

By: Steven W. Hart

Steven W. Hart
Chief Financial Officer

EXHIBIT 11.
CALCULATION OF PRIMARY AND FULLY DILUTED EARNINGS PER COMMON SHARE
REEVES INDUSTRIES, INC. AND SUBSIDIARY
(In thousands, except per share data)

	Quarter Ended	
	March 31, 1991	March 29, 1992
Income from continuing operations	$ 211	$ 1,325
Less cumulative preferred dividends	(75)	-
Net income attributable to primary and fully diluted common shares	$ 136	$ 1,325
Earnings per common share:		
Primary:		
Net income	$ .01	$ .04
Fully diluted:		
Net income	$ .01	$ .04

EXHIBIT 11.
CALCULATION OF PRIMARY AND FULLY DILUTED EARNINGS PER COMMON SHARE -
(Continued)
REEVES INDUSTRIES, INC. AND SUBSIDIARY
(In thousands)

	Quarter Ended	
	March 31, 1991	March 29, 1992
Weighted average number of common shares outstanding:		
Primary	18,066	36,886
Fully diluted	18,066	36,886

NOTE: In 1991 a deduction was made for cumulative preferred dividends earned during the period even though such dividends were not declared or paid.